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DEPT FOR EUR/AGS, INR/EU, AND EUR/PPD FOR YVETTE SAINT-ANDRE  
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E.O. 12958: N/A  
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SUBJECT: AUSTRIAN MEDIA HIGHLIGHTS: March 04, 2008

#### Fischer Admonishes Government

¶1. Austrian President Heinz Fischer has called on the SPOe-OeVP coalition to "live up to the expectations" people "have placed in it." His comments came in response to the ongoing dispute between the two government parties, which he, too, was "quite aware of," Fischer stressed. A government was "not released from its responsibility and duties simply because a majority in Parliament has voted in favor of setting up an investigating committee," the President underscored. Fischer added he was "prepared to emphasize publicly that the situation is one requiring serious and successful work from the government and the coalition parties." According to reports in mass-circulation tabloids Kronen Zeitung and Oesterreich, Austrian President Heinz Fischer has now raised his voice in the ongoing conflict between the coalition parties SPOe and OeVP. He criticized the government and stressed the two parties should "resume their work," and clearly dismissed suggestions of a coalition crash and the formation of a minority government. Speaking on ORF TV's prime time news Zeit im Bild I on Tuesday, Fischer said, regarding the state of the coalition: "There have been difficulties in recent times, which I am aware of, and which are a cause of concern for many people in the country. It is now up to the government parties to meet the expectations that have been put in them." In an interview with the Kronen Zeitung, Fischer explained the President "must not become part of the problem, or permit himself to be drawn into party-policy disputes. He has to remain an institution of calm and a person of contact for all persons concerned. Dismissing the option of early elections, he said a "dismissal of the government under the parties' existing ratio of representation can only be considered in case alternatives are available which would benefit the country." In his opinion, "there is no reason at this point for dissolving Parliament either, even if the situation may appear highly unpleasant and annoying." The coalition parties' problems won't be solved if I read them the Riot Act. What we need is getting rid of the structural differences." Nonetheless, he was "taking the threat people might turn away from politics out of disillusionment very seriously," Fischer underscored. After his long silence, Fischer had been forced to respond, particularly after Claus Reidl, the former advisor of Wolfgang Schuessel, had urged the President to intervene, Oesterreich argues.

#### Parliamentary Inquiry Takes Shape

¶2. Austria's political parties are close to finalizing the makeup of a parliamentary inquiry to look into allegations of abuse of office in the Interior Ministry. The Social Democrats and People's Party will each be represented by six MPs, while the smaller parties, the

Greens, the FPOe and the BZÖe, will be contributing one or two members. The Freedom Party's justice spokesperson Peter Fichtenbauer looks likely to be chosen to chair proceedings. The committee is to look into claims of abuse of office involving People's party ministers and top officials at the Interior Ministry, as well as allegations of political interference and illegal surveillance of MPs, according to ORF TV's prime time news *Zeit im Bild* I on Tuesday.

#### Elsner Denies Knowledge of Bank Financing Of SPOe

¶ 13. Former bank BAWAG director general Helmut Elsner denied in court that he knows anything about alleged past BAWAG financing of the SPOe, the Austrian Trade Union Federation (OeGB) or former supermarket chain Konsum Austria. An Austrian magazine had reported that the former bank CEO would disclose his knowledge of such financing during trial proceedings this week. Elsner and eight others are on trial for fraud at the bank in the 1990s. He left the SPOe in 2006 after fifteen years as a party member and has made no secret of his disappointment in the party during trial proceedings.

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Meanwhile, SPOe Chancellor Alfred Gusenbauer and party manager Josef Kalina have also denied any knowledge of such financing, reported ORF TV's prime time news *Zeit im Bild* I on Tuesday.

#### "FBI Chasing Mafia Boss!"

¶ 14. ... headlines a free-of-charge mass-circulation tabloid *Heute*, explaining that the "thriller" over wanted US criminal James Bulger continues: "For years, the notorious leader of the Boston Winter Hill Gang and serial killer had been sought by the police, but now investigators and speaking of a breakthrough. After the Bulger case was picked up by a European television program presenting unsolved crime cases, more than seventy new leads, a dozen of them from Austrian callers, have emerged. The FBI investigators have picked up the trail," says the daily.

#### Turning Point in US Presidential Campaign?

¶ 15. This is the question all major Austrian media are focusing on in their reports and analyses of yesterday's primaries in four US states, including Texas and Ohio. In the Democratic Party, Hillary Clinton has won in Rhode Island as well as in the key states of Ohio and Texas. Her rival Barack Obama has won the fourth of yesterday's primaries in Vermont. After her victory in Ohio, Clinton said her campaign was now "back on track," but Obama pointed out he was "still ahead in the race." Thus, despite predictions to the contrary earlier this week, the race for the White House among the Democrats remains open, Austrian media say.

Meanwhile, Arizona Senator John McCain has wrapped up the Republican Party nomination for the White House following his victory in primaries in the four states. His only rival, Mike Huckabee, announced he was dropping out of the race.

Several Austrian media analyze the outcome of yesterday's primary elections in four US states. ORF radio in its early morning news *Morgenjournal* quotes Democratic presidential hopeful Hillary Clinton as saying after her victory in Ohio: "This nation is coming back and so is this campaign. The people of Ohio have said it loudly and clearly. We're going on. We're going strong, and we're going all the way." Her rival Barack Obama, however, emphasized despite Clinton's victories in the key states he is still ahead in the race: "We know this: no matter what happens tonight, we have nearly the same delegate lead as we did this morning and we are on our way to winning this nomination," quotes ORF radio.

Also on the *Morgenjournal*, radio reporter Christian Lininger says with yesterday's results "the race between Hillary Clinton and Barack Obama continues. In yesterday's primaries Clinton succeeded in breaking Obama's string of victories. (...) Analysts suggest Clinton owes her victories yesterday largely to voters who waited until the last moment to decide. Election strategists have been quick to come up with an explanation for this phenomenon: Clinton's increasingly harsh attacks on Obama, such as her campaign spot portraying him as too inexperienced to make the right decisions in a crisis may have paid off. Analysts expect the campaign to get even

tougher now. Still, even her Texas victory has not won Clinton enough delegates to draw level with Obama. Thus, she will only become her party's frontrunner if the majority of the super delegates sides with her, that is, if the party establishment decides to back her."

Meanwhile, ORF radio foreign affairs reporter Fabio Polly suggests the "outcome of yesterday's primaries will please one man in particular: The Republican Party's frontrunner John McCain. He does not have to worry about having to attack and discredit his Democratic opponents in the race for the presidential nomination - the two are doing the job for him. The tone between Hillary Clinton and Barack Obama can be expected to get a lot harsher -- that's for sure. Clinton has succeeded in halting Obama's string of victories because recently she has stepped up her attacks considerably. Obama, in turn will do away with the kid gloves, and with his cultured restraint. The Democratic Party, meanwhile, needs to ask itself how long it can endure such a breaking test, and whether it really wants to chance a showdown at the Convention in late August. After all - as a US columnist remarked recently -- in the end it could see itself losing the third presidential election in a row that can't be lost. John McCain as the laughing third in the competition between Clinton and Obama: a nightmare for all Democrats."

#### Debate over Oil Output

16. OPEC oil ministers are meeting in Vienna today to discuss whether to increase supplies. Despite oil prices of around 100 US Dollars a barrel, a number of ministers have said they do not intend to boost production. This is something the United States has called for. The rising price of oil has recently also put a considerable strain on stock markets worldwide, says ORF radio early morning news Morgenjournal.

Kilner